

# Corporate Governance Statement

Nippecraft Limited (“**Nippecraft**” or the “**Company**”, and together with its subsidiaries, the “**Group**”), views corporate accountability, transparency and sustainability as strategic tools for enhancing long-term shareholders’ value and are committed to observing high standards of corporate governance.

The Listing Manual – Section B: Rules of Catalist (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) requires an issuer to describe its corporate governance practices with specific reference to the principles and the provisions of the Code of Corporate Governance 2018 (“**2018 Code**”) in its annual report, as well as disclose any deviation from any provision of the 2018 Code and explain how the practices it had adopted are consistent with the intent of the relevant principle.

This report outlines the policies adopted and practised by the Group for its annual report for the financial year ended 31 December 2021 (“**FY2021**”) (“**Annual Report 2021**”) with specific reference to the relevant principles and provisions of the 2018 Code. The Company has generally adopted principles and practices of corporate governance in line with the recommendations of the 2018 Code, save as highlighted and explained in this report.

<b>BOARD MATTERS</b>											
<b>The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.</b>	<b>Principle 1: THE BOARD’S CONDUCT OF AFFAIRS</b>										
<p>As at the date of this report, the Board of Directors of the Company (the “<b>Board</b>” or the “<b>Directors</b>”) is made up of the following members:</p> <table border="0"> <tr> <td>Khoo Song Koon</td> <td>Non-Executive Chairman and Independent Director</td> </tr> <tr> <td>Raja Hayat</td> <td>Executive Director and Chief Executive Officer (“<b>CEO</b>”)</td> </tr> <tr> <td>Chan Cheng Fei</td> <td>Executive Director and Chief Financial Officer (“<b>CFO</b>”)</td> </tr> <tr> <td>Chow Wai San</td> <td>Independent Director</td> </tr> <tr> <td>Raymond Lam Kuo Wei</td> <td>Independent Director</td> </tr> </table> <p>The Board is accountable to the shareholders for overseeing the effective management of the business. The Board works closely with the management of the Company (the “<b>Management</b>”) and the Management remains accountable to the Board.</p> <p>The Board exercises due diligence and independent judgment in dealing with the business affairs of the Group and are fiduciaries who are obliged to act in good faith and to take objective decisions in the best interests of the Group.</p> <p>The Board is also aware of the requirements of Rules 905 and 906 of the Catalist Rules in relation to Interested Person Transactions. The Company will ensure that any Interested Person Transactions is clearly communicated to shareholders in public announcements released via SGXNet, when deemed necessary.</p> <p>The primary functions of the Board, apart from its statutory duties, include:</p> <ul style="list-style-type: none"> <li>• Guide the formulation of the Group’s overall long-term strategic plans and performance objectives as well as operational initiatives;</li> <li>• Oversee the evaluation of the adequacy and effectiveness of financial reporting, internal controls and risk management frameworks;</li> <li>• Monitor the financial performance of the business including approval of release of the annual and interim financial reports and interested person transactions;</li> <li>• Identify the key shareholders groups and recognise that their perceptions affect the Company’s reputation;</li> </ul>	Khoo Song Koon	Non-Executive Chairman and Independent Director	Raja Hayat	Executive Director and Chief Executive Officer (“ <b>CEO</b> ”)	Chan Cheng Fei	Executive Director and Chief Financial Officer (“ <b>CFO</b> ”)	Chow Wai San	Independent Director	Raymond Lam Kuo Wei	Independent Director	<p>Provision 1.1 of the 2018 Code: Directors are fiduciaries who act objectively in the best interests of the Company</p>
Khoo Song Koon	Non-Executive Chairman and Independent Director										
Raja Hayat	Executive Director and Chief Executive Officer (“ <b>CEO</b> ”)										
Chan Cheng Fei	Executive Director and Chief Financial Officer (“ <b>CFO</b> ”)										
Chow Wai San	Independent Director										
Raymond Lam Kuo Wei	Independent Director										

<ul style="list-style-type: none"> <li>• Approve the nomination of Directors and appointment of key executives;</li> <li>• Approve major proposals involving funding, investments, acquisitions and/or divestments;</li> <li>• Set the Group's approach to corporate governance, including the establishment of the Company's ethical values and standards;</li> <li>• Balance the demands of the business with those of the Company's stakeholders and ensure obligations to material stakeholder groups (including shareholders) are met; and</li> <li>• Consider sustainability issues.</li> </ul> <p>The Board adopted a set of ethical values and standards which establishes the fundamental principles of professional and ethical conduct expected of the Directors in the performance of their duties. It includes guidelines on matters relating to conflicts of interest. When an actual, potential and perceived conflict of interest arises, the concerned Director must disclose such interest, recuse himself or herself from discussions and decisions involving the matter and abstain from voting on resolutions regarding the matter.</p>	
<p>All Directors are aware of their fiduciary duties and are committed to exercising due care and diligence in making their decisions and to objectively discharge their duties and responsibilities in the best interest of the Company. Aside from their statutory duties, the key roles of different classes of Directors are set out below:</p> <ul style="list-style-type: none"> <li>• The Executive Directors, who are members of the Management are involved in the day-to-day running of the Group's business operations. The Executive Directors work closely with the Independent Directors on the long-term sustainability and success of the Group. They provide insights and recommendations on the Group's operations at the Board and Board Committee meetings.</li> <li>• Our Independent Directors do not participate in the Group's business operations and are deemed independent by the Board. They provide independent and objective advice and insights to the Board and the Management. They constructively challenge the Management on its decisions and contribute to the development of the Group's strategic goals and policies. They participate in the review of the Management's performance in achieving the strategic goals as well as the appointment, assessment and remuneration of the Executive Directors and the Executive Officers.</li> </ul> <p>The Executive Directors are appointed by way of service agreements while the Independent Directors are appointed by way of letters of appointment. The duties and responsibilities of Directors are clearly set out in these service agreement and letters of appointment.</p> <p>New Directors would be briefed on the Group's industry, business, organisation structure, and strategic plans and objectives. Relevant policies and procedural guidelines would also be provided. Orientation for new Directors includes meetings with various key executives of the Management and visits to the Group's key premises to familiarise themselves with the operations. Furthermore, it is a requirement under Rule 406(3)(a) of the Catalist Rules for first-time appointees on boards of public listed companies in Singapore to attend the Listed Entity Director ("<b>LED</b>") programme organised by the Singapore Institute of Directors ("<b>SID</b>") as prescribed under Practice Note 4D of the Catalist Rules. Raja Hayat, Chan Cheng Fei and Raymond Lam Kuo Wei, whom were appointed to the Board in 2021 have completed the LED programme as prescribed by the SGX-ST.</p>	<p>Provision 1.2 of the 2018 Code: Directors' duties, induction, training and development</p>

<p>During FY2021, the Directors were provided with updates on changes in laws and regulations, including the Companies Act 1967 of Singapore (“<b>Companies Act</b>”), the Catalyst Rules and the Code of Corporate Governance, which are relevant to the Group. The external auditors regularly update the Audit Committee and the Board on the developments in the Singapore Financial Reporting Standards (International) (“<b>SFRS(I)</b>”) which are applicable to the Group. Changes to regulations and accounting standards are monitored closely by the Management. In addition, the Management regularly updates and familiarises the Directors on the business activities of the Group during Board and Board Committee meetings.</p> <p>Some Directors have also attended courses organised by the SID, Institute of Singapore Chartered Accountants, Accounting and Corporate Regulatory Authority, Singapore Exchange Limited, CPA Australia, CFA Singapore and Chartered Secretaries Institute of Singapore.</p> <p>The Nominating Committee evaluates the individual Director’s competencies and recommends to the Board on training and development programmes for each Director. Our Directors are also encouraged to attend relevant seminar and training programmes to enhance their skills and knowledge, the expenses of which will be borne by the Company.</p>	
<p>Although the day-to-day management of the Company is delegated to the Executive Directors, there are matters which are required to be decided by the Board as a whole.</p> <p>Matters specifically reserved for the Board’s decision include but not limited to:</p> <ul style="list-style-type: none"> <li>• Changes to the Group’s capital structure and corporate structure;</li> <li>• Material investments, acquisitions and disposals of assets;</li> <li>• Material capital expenditure;</li> <li>• Material Group policies;</li> <li>• Recommendation/declaration of dividend;</li> <li>• Annual budgets, financial statements (interim and full year), annual reports, circulars to shareholders and announcements to be submitted to the SGX-ST;</li> <li>• Appointment or removal of Directors, company secretary and Executive Officers of the Company; and</li> <li>• Interested Person Transactions.</li> </ul> <p>Certain important matters could be subject to the recommendation by the respective Board Committees. Matters which the Board considers suitable for delegation to a Board Committee are contained in the terms of reference of the respective Board Committees.</p>	<p>Provision 1.3 of the 2018 Code: Matters requiring Board’s approval</p>
<p>Board Committees, namely Audit Committee (“<b>AC</b>”), Nominating Committee (“<b>NC</b>”) and Remuneration Committee (“<b>RC</b>”) have been established to assist the Board. No Risk Committee was established as the responsibility continues to be resided by the Board. Each Board Committee has its own terms of reference, setting out the composition, authorities and duties, which are approved by the Board. All Board Committees are chaired by an Independent Director. While these Board Committees are delegated with certain responsibilities, the responsibility for decisions relating to matters under the purview of the Board Committees ultimately lies with the entire Board.</p> <p>The terms of reference of the respective Board Committees, which are reviewed by the Board on a regular basis, as well as other further information on the Board Committees can be found in the subsequent sections of this report.</p>	<p>Provision 1.4 of the 2018 Code: Board Committees</p>

Board and Board Committee meetings are held regularly, with Board and AC meetings held at least twice a year and RC and NC meetings held at least once a year. Board and Board Committee meetings and annual general meetings are scheduled in advance to facilitate the Directors' attendance. Ad-hoc meetings will be convened when the Board's guidance or approval is required, outside of the scheduled Board meetings.

The number of Board and Board Committees meetings held during FY2021 and the attendances of the Directors at these meetings are set out below:

	Board Meetings		Board Committees Meetings					
			AC		NC		RC	
Name of Directors	A	B	A	B	A	B	A	B
Khoo Song Koon	3	3	3	3	2	2	1	1
Raja Hayat <sup>(1)</sup>	3	3	3	3*	2	2*	1	1*
Chan Cheng Fei <sup>(2)</sup>	3	3	3	3*	2	2*	1	1*
Lim Yu Neng Paul <sup>(3)</sup>	3	3	3	3	2	2	1	1
Chow Wai San	3	3	3	3	2	2	1	1
Raymond Lam Kuo Wei <sup>(4)</sup>	3	–	3	2	2	–	1	–

Notes: <sup>(1)</sup> Mr Raja Hayat was appointed on 1 January 2021.

<sup>(2)</sup> Mr. Chan Cheng Fei was appointed on 1 January 2021.

<sup>(3)</sup> Mr. Lim Yu Neng Paul resigned with effect from 31 August 2021.

<sup>(4)</sup> Mr. Raymond Lam Kuo Wei was appointed on 30 July 2021.

A – Represents number of meetings held in FY2021

B – Represents number of meetings attended in FY2021

\* – By invitation

In accordance with the Company's Constitution, a Director who is unable to attend a Board meeting can still participate in the meeting via telephone conference, video conference or similar communication means whereby all persons participating can hear each other. Important matters concerning the Group can also be put to the Board and Board Committees for decision by way of written resolutions.

Our Directors have made a conscious effort to make themselves available and accessible to the Management for discussion and consultation outside the framework of formal meetings. Directors contribute by providing the Management with guidance and counsel on the strategic direction of the Company's plan, business and operations. As a consequence, the contribution of our Directors goes beyond attendance at formal Board and Board Committees meetings. Attendance at formal meetings alone is not a fair reflection of the true value and substance of their invaluable contributions.

When a Director has multiple board representations, the NC also considers whether or not the Director is able to and has adequately carried out his duties as a Director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments. In support of their candidature for directorship or re-election, Directors are to provide the NC with details of their other commitments and an indication of the time involved.

The Board and the NC have established a guideline on the maximum number of listed company directorships and other principal commitments that each Director is allowed to hold and this guideline can be found under Principle 4 of this report.

Provision 1.5 of the 2018 Code: Attendance and participation in Board and Board Committee Meetings

<p>The Management recognises that relevant, complete and accurate information needs to be provided to the Directors prior to meetings and on an on-going basis to enable the Directors to make informed decisions and discharge their duties and responsibilities effectively and efficiently.</p> <p>The Management provides members of the Board with quarterly management accounts, as well as relevant background information relating to the matters that are discussed at the Board and Board Committees meetings. Such reports keep the Board informed of the Group's performance, financial position and prospects, and consist of the consolidated financial statements, major operational updates, background or updates on matters before the Board for decision or information. The Board is also provided with minutes of the previous Board meeting, and minutes of meetings of all Board Committees held. Detailed Board papers are sent out to the Directors at least seven (7) calendar days before the scheduled meetings so that the Directors may better understand the issues beforehand, allowing for more time at such meetings for questions that Directors may have.</p> <p>Any additional materials or information requested by the Directors are promptly furnished. If necessary, management staff who are able to explain and provide insights to the matters to be discussed are invited to make the appropriate presentation and answer any queries that the Directors may have.</p> <p>In respect of the annual budget of the Group, material variance between budgeted results and actual results would be disclosed and explained by the Management at Board meetings.</p> <p>The Management will also inform the Board of all significant events as and when they occur and circulate Board papers and supporting information on major transactions to facilitate a robust discussion before the transactions are entered into.</p>	<p>Provision 1.6 of the 2018 Code: Complete, adequate and timely information to make informed decisions</p>
<p>The Board has separate and independent access to the Management, the company secretaries and external professionals, including our Sponsor, legal counsels and auditors.</p> <p>The Management, together with the Company Secretary, are responsible for ensuring the Group's compliance to Board procedures and other applicable rules and regulations. The Management is responsible for day-to-day operations and administration of the Group and they are accountable to the Board.</p> <p>The role of the company secretaries is clearly defined and includes:</p> <ul style="list-style-type: none"> <li>• Attending all Board and Board Committees meetings and ensuring that meeting procedures are followed;</li> <li>• Together with the Management, ensuring that the Company complies with all relevant requirements of the Companies Act and the Catalist Rules;</li> <li>• Advising the Board on all corporate governance matters; and</li> <li>• Assisting the Chairman of the Board and Chairman of each Board Committee in ensuring adequate and timely flow of information within the Board or the Board Committees and between the Management and the Board or the Board Committees.</li> </ul> <p>The appointment and removal of the company secretaries are subject to the approval of the Board as a whole.</p>	<p>Provision 1.7 of the 2018 Code: Separate and independent access to Management, company secretary and external advisers; Appointment and removal of the company secretary</p>
<p><b>The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.</b></p>	<p><b>Principle 2: BOARD COMPOSITION AND GUIDANCE</b></p>

As at the date of this report, Khoo Song Koon, the Chairman of the Board is independent. The Board comprises a total of five (5) Directors, of whom three (3) are considered independent by the Board. The independent element on the Board is strong and this enables the Board to exercise objective independent judgement on corporate affairs and provide the Management with a diverse and objective perspective on issues.

The independence of each Director is reviewed annually by the NC. Each Independent Director is required to complete a checklist annually to confirm his independence in accordance with the guidelines on independence set out in the 2018 Code and the Catalist Rules. An Independent Director shall immediately disclose to the NC any relationships or circumstances that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement in the best interests of the Company. The NC and the Board have reviewed and ascertained that all Independent Directors are independent according to the 2018 Code, its Practice Guidance and Rules 406(3)(d) (i) and 406(3)(d)(ii) of the Catalist Rules and noted that:

- (a) the Independent Directors: (i) are not employed by the Company or any of its related corporations in the current or any of the past three (3) financial years; and (ii) do not have an immediate family member who is employed or has been employed by the Company or any of its related corporations in the current or any of the past three (3) financial years, and whose remuneration is determined by the RC;
- (b) none of the Independent Directors and their immediate family member had in the current or immediate past financial year (i) provided or received material services or significant payments to and/or from the Group when aggregated over any financial year in excess of S\$50,000 for services other than compensation for board service; or (ii) was a substantial shareholder, partner, executive officer or a director of any organization which provided or received material services or significant payments to and/or from the Group when aggregated over any financial year in excess of S\$200,000 for services rendered; and
- (c) none of the Independent Directors are directly associated with a substantial shareholder of the Company.

Mr. Raymond Lam Kuo Wei ("**Mr. Lam**") was the Company Secretary of the Company from 23 April 2015 to 30 June 2021 during his employment as the Chief Executive Officer and Director of DrewCorp Services Pte Ltd ("**DrewCorp**") from 1 March 2015 to 30 June 2021. Mr. Lam has also been the Company Secretary of Asia Pulp & Paper Company Ltd ("**APP**"), an indirect controlling shareholder of the Company since 2016.

From 1 July 2021 till 31 January 2022, Mr. Lam was the managing director of RL Law LLC. RL Law LLC has been dormant since 1 February 2022 to date. On 1 February 2022, Mr. Lam rejoined Drew & Napier LLC as its Head of Business Development and also took on the position of Chief Operating Officer of Drew Network Asia. Drew Network Asia is a network of law firms in Asia within Drew & Napier LLC.

Notwithstanding the above, Mr. Lam is considered independent as the NC and the Board has considered the followings:

- (i) the total amount of fees paid by the Group to DrewCorp for corporate secretarial services for the financial year ended 31 December ("**FY**") 2015, FY2016, FY2017, FY2018, FY2019, FY2020 and FY2021 during Mr. Lam's employment with DrewCorp did not exceed S\$50,000 over any financial year and is therefore consistent with Practice Guidance 2 of the 2018 Code; Code of Corporate Governance;
- (ii) while Mr. Lam continues to hold the position of Company Secretary of APP, he receives a nominal fee that is not expected to compromise his independence;
- (iii) he does not hold any shares in both DrewCorp and Drew & Napier LLC (the immediate holding company of DrewCorp);
- (iv) save as disclosed, DrewCorp and Drew & Napier LLC does not provide any other services to the Group or to APP and its group of companies;
- (v) Mr. Lam has an obligation to disclose any future engagement between APP, and Drew & Napier LLC to the Board; and
- (vi) he will have to abstain from any deliberations and discussions in relation to the same.

Provision 2.1 of the 2018 Code: Director independence

Provision 2.2 of the 2018 Code: Independent Directors make up a majority of the Board where the Chairman is not independent

<p>Pursuant to Rule 406(3)(d)(iii) of the Catalist Rules, effective from 1 January 2022, an Independent Director for an aggregate period of more than 9 years will be subjected to the two-tier vote i.e. (i) by all shareholders; and (ii) by all shareholders excluding shareholders who are Directors or CEO and their associates at the forthcoming Annual General Meeting should he choose to offer himself for re-election and remain as an Independent Director from 1 January 2022 onwards. As at 1 January 2022, none of the Independent Directors has served on the Board beyond nine (9) years from the date of first appointment.</p>	
<p>Non-executive Directors make up three (3) out of five (5) Board members and therefore constitute the majority.</p>	<p>Provision 2.3 of the 2018 Code: Non-executive Directors make up a majority of the Board</p>
<p>The Board has examined the size of the Board and the Board Committees and is of the view that it is an appropriate size for effective decision-making, considering the nature and scope of the Group's operations. No individual or small group of individuals dominate the Board's decision making. The Board and Board Committees comprise business leaders and professionals taking into account the scope and nature of the operations of the Group. The standing of the members of the Board in the business and professional communities, and with their combined business, management and professional experience, knowledge and expertise, provide the necessary core competencies to meet the Group's needs and to allow for diverse and objective perspectives on the Group's strategic direction and growth. The profiles of the Directors are set out in the "Board of Directors" section of the Annual Report 2021.</p> <p>The Company recognises and embraces Board diversity as an essential element in supporting the achievement of business objectives and sustainable development in the ever-changing business environment. Together, the Directors are expected to bring with them in the context of the skills, experience, and knowledge which the Board as a whole requires to be effective. Directors must be allowed to apply their experience for the useful exchange of ideas and views. The Company believes that a diverse board will improve discussion and decision-making capability as all viewpoints will be considered before drawing a conclusion.</p> <p>The benefits of Board diversity could only be harnessed if Directors adopt an independent mindset when carrying out their responsibilities. In order to gather and leverage on diverse perspectives, the Chairman of the Board strives to cultivate an inclusive environment where all Directors are able to speak up and participate in decision-making.</p> <p>The Board has adopted a formal Board Diversity Policy which sets out the framework for promoting diversity on the Board. The objective of the Board Diversity Policy provides, <i>inter alia</i>, that when reviewing and assessing the composition of the Board and making recommendations to the Board for the appointment of Directors, the NC will consider all aspects of diversity in order to arrive at an optimal balanced composition of the Board. The final decision on the selection of Directors will be based on merit against objective criteria that complements and expands the skills and experience of the Board as a whole, and giving due regard to the overall balance and effectiveness of a diverse Board.</p> <p>While the Board acknowledges that gender and age are aspects of boardroom diversity, the Company's priority is to ensure that the Board is made up of an effective composite of competence, skills, knowledge and experience that will carry the Group towards the next phase of growth. Hence, all Board appointments will be based on merit, and candidates will be considered against objective criteria, in consideration of the benefits of a diverse Board.</p>	<p>Provision 2.4 of the 2018 Code: Size and composition of the Board and Board Committees; Board diversity policy</p>

<p>To facilitate a more effective check on the Management, the Independent Directors meet at least once a year with the internal and external auditors without the presence of the Management. The Independent Directors also communicate with each other from time to time without the presence of the Management to discuss the performance of the Management and any matters of concern such as the Group's financial performance, corporate governance initiatives, Board processes, succession planning as well as leadership development and the remuneration of the Executive Directors. Feedback arising from such meetings or discussions is provided to the Board, as appropriate.</p>	<p>Provision 2.5 of the 2018 Code: Independent Directors meet regularly without the presence of the Management</p>
<p><b>There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.</b></p>	<p><b>Principle 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER</b></p>
<p>Khoo Song Koon holds the position as Independent Non-Executive Chairman of the Board while Raja Hayat who previously held the position of interim CEO and was redesignated as the CEO on 1 March 2022. The Chairman and CEO are not related and the separation of the roles of the Chairman and the CEO ensures an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.</p> <p>In addition, all major proposals and decisions made by the CEO is discussed with and reviewed by the Board. His performance and continued appointment to the Board will be reviewed periodically by the NC while his remuneration package will be reviewed periodically by the RC. With the existence of Board Committees imbued with the power and authority to perform key functions, the Board believes that there are sufficient strong and independent elements and adequate safeguards in place against an uneven concentration of power and authority in any single individual.</p>	<p>Provision 3.1 of the 2018 Code: Chairman and CEO are separate persons</p>
<p>The Chairman promotes a culture of openness and debate at the Board level and ensures that corporate information is adequately disseminated to all Directors on a timely manner to facilitate discussions at meetings. In addition, he encourages constructive relations within the Board and between the Board and the Management to facilitate effective contribution of all Directors. The Chairman also ensures effective communication with shareholders and other stakeholders. The Chairman is assisted by the Board Committees in ensuring compliance with the Company's standards of corporate governance.</p> <p>The CEO is responsible for the overall management of the Group and charting the corporate strategies for future growth with the support of the Management.</p>	<p>Provision 3.2 of the 2018 Code: Division of responsibilities between Chairman and CEO</p>
<p>No lead independent director is appointed as the Chairman of the Board is independent.</p>	<p>Provision 3.3 of the 2018 Code: Lead Independent Director</p>

<p><b>The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.</b></p>	<p><b>Principle 4: BOARD MEMBERSHIP</b></p>
<p>The NC comprises three (3) Independent Directors, namely Raymond Lam Kuo Wei (Chairman), Khoo Song Koon and Chow Wai San.</p> <p>The NC's responsibilities, as set out in its terms of reference, include, <i>inter alia</i>, the following:</p> <ul style="list-style-type: none"> <li>• To develop and maintain a formal and transparent process for the appointment of new Directors and making recommendations to the Board on the appointment of new executive and non-executive Directors, including making recommendations on the composition of the Board generally and the balance between executive and non-executive Directors appointed to the Board;</li> <li>• To regularly review the Board structure, size and composition and make recommendations to the Board with regards to any adjustments that are deemed necessary, including the review of training and professional development programmes for the Board and its Directors;</li> <li>• To determine the process and criteria for search, nomination, selection and appointment of new Board members and be responsible for assessing nominees or candidates for appointment or election to the Board, determining whether or not such nominee has the requisite qualifications and whether or not he/she is independent as well as to ensure that new Directors are aware of their duties and obligations and provides training where necessary;</li> <li>• To review and make recommendations to the Board on relevant matters relating to the succession plans of the Board (in particular, the Chairman and CEO) and Executive Officer;</li> <li>• To determine, upon appointment and subsequently on an annual basis, and as and when circumstances require, if a Director is independent;</li> <li>• To ensure that all Directors must submit themselves for re-nomination and re-appointment at least once every three (3) years, and to recommend Directors who are retiring by rotation to be put forward for re-election;</li> <li>• To decide whether or not a Director is able to and has been adequately carrying out his/her duties as a Director of the Company, particularly when he/she has multiple board representations;</li> <li>• To recommend to the Board internal guidelines to address the competing time commitments faced by Directors who serve on multiple boards; and</li> <li>• To be responsible for assessing the effectiveness of the Board as a whole and for assessing the effective contribution and commitment of each individual Director to the effectiveness of the Board.</li> </ul>	<p>Provision 4.1 of the 2018 Code: NC to make recommendations to the Board on relevant matters</p> <p>Provision 4.2 of the 2018 Code: Composition of NC</p>
<p>The NC conducts an annual review of the nomination of the relevant Directors for re-election and re-appointment, as well as the independence of Directors. The NC conducts an annual performance assessment of individual Directors. When considering the nomination of Directors for re-election and re-appointment, the NC takes into account their contributions to the effectiveness of the Board, the preparedness, participation and competing time commitment faced by Directors who are faced with multiple board representations. The NC, in assessing the performance of each individual Director, considers sufficient time and attention has been given by the Directors to the affairs of the Company.</p>	<p>Provision 4.3 of the 2018 Code: Process for the selection, appointment and re-appointment of Directors</p>

The NC's criteria for the selection and appointment of new Directors is based on potential candidates' skills, knowledge and experience. The NC would conduct a review of the skills and experience that is needed of a potential candidate and thereafter actively seek out such potential nominees that can provide positive contributions in those areas to the Board by conducting external searches, including using headhunters and/or relying on personal and professional networks. The NC will take an active role in screening and interviewing potential candidates before assessing the candidate's suitability and recommending him/her for nomination to the Board. The NC will also consider the need to position and shape the Board in line with the evolving needs of the Company and the business. The Board retains the final discretion in appointing new Directors.

Regulation 154 of the Company's Constitution states that any Director so appointed by the Board shall hold office only until the next annual general meeting of the Company ("AGM") and shall then be eligible for re-election. Raja Hayat and Chan Cheng Fei were appointed as Directors on 1 January 2021 and were re-elected on 28 April 2021. Raymond Lam Kuo Wei was appointed on 30 July 2021 and will be eligible for re-election at the forthcoming AGM to be held on 26 April 2022.

In addition, Regulation 144 of the Company's Constitution states that at each AGM, one-third (or if their number is not three or a multiple of three, then the number nearest one-third) of the Directors for the time being, shall retire from office and that all Directors shall retire from office at least once in every three (3) years and such retiring Directors shall be eligible for re-election. Each member of the NC has abstained from voting on any resolutions in respect of the assessment of his performance or re-nomination as Director.

Khoo Song Koon and Chow Wai San will be eligible for re-election at the forthcoming AGM to be held on 26 April 2022.

The NC recommended that Independent Directors, Khoo Song Koon, Chow Wai San who, were re-elected in year 2020, and Raymond Lam Kuo Wei who was appointed on 30 July 2021, be put forward for re-election at the forthcoming AGM. The Board accepted the recommendation and being eligible, Khoo Song Koon, Chow Wai San and Raymond Lam Kuo Wei will be offering themselves for re-election in the forthcoming AGM. The details of the Directors seeking for re-election as required under Rule 720(5) of the Catalyst Rules are set out in the "Additional Information on Directors Seeking Re-election" section of the Annual Report 2021.

The NC had also conducted the following reviews and assessment:

- (a) review Board and Board Committees meeting minutes to assess questions and voting actions of Khoo Song Koon, Chow Wai San and Raymond Lam Kuo Wei;
- (b) performance assessment on Khoo Song Koon, Chow Wai San and Raymond Lam Kuo Wei done by the other Directors; and
- (c) Khoo Song Koon's, Chow Wai San's and Raymond Lam Kuo Wei's declaration of independence.

In consideration of the above, the Board has determined that there are no known factors that affect Khoo Song Koon's ability to discharge his duties as Independent and Non-Executive Director, the Chairman of the Board and AC, member of both the NC and RC. Khoo Song Koon was not involved in the deliberation of his continued appointment with the Board.

Adopting the same metrics, the Board has also concluded that there are no known factors that affect Chow Wai San's ability to discharge his duties as Independent and Non-Executive Director, the Chairman of the RC, member of both the AC and NC. Chow Wai San was not involved in the deliberation of his continued appointment with the Board.

<p>Similarly, the Board has concluded that there are no known factors that affect Raymond Lam Kuo Wei's ability to discharge his duties as Independent and Non-Executive Director, the Chairman of the NC, member of both the AC and RC. Raymond Lam Kuo Wei was not involved in the deliberation of his continued appointment with the Board.</p> <p>The NC and the Board has recommended that the approval of the Shareholders be sought through ordinary resolutions for the continuation of office of Khoo Song Koon, Chow Wai San and Raymond Lam Kuo Wei as Independent Non-Executive Directors of the Company.</p> <p>The Board is of the opinion that it is in compliance with the new Catalist Rules, due to the following reasons:</p> <ul style="list-style-type: none"> <li>(a) the Chairman of the Board is an Independent Director;</li> <li>(b) at least 50% of the Board are Non-Executive Directors; and</li> <li>(c) Independent Directors comprise more than one-third of the Board.</li> </ul> <p>The details of the Directors seeking for re-election as required under Rule 720(5) of the Catalist Rules are set out in the "Additional Information on Directors Seeking Re-election" section of the Annual Report 2021.</p>	
<p>As described under Principle 2 of this report, the Company has put in place a process to ensure the continuous monitoring of the independence of the Directors. Each Independent Director is required to complete a checklist annually to confirm his independence. Further, an Independent Director shall immediately disclose to the NC any relationships or circumstances that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement in the best interests of the Company. The NC is of the view that the Independent Directors are independent. As at the date of this report, there is no relationship or circumstance set forth in Provision 2.1 of the 2018 Code which puts the independence of the Independent Directors in question save as disclosed.</p> <p>To ensure Directors devote sufficient time to and attention to the affairs of the Group, if a Director is holding a full-time commitment, the maximum number of directorships he may hold in listed companies is four (4) and if he is not holding a full-time commitment, the maximum number of directorships he may hold in listed companies is six (6).</p> <p>In addition to the number of listed company directorships and other principal commitments, the NC also takes into account of the results of the annual evaluation of each Director's effectiveness and the respective Directors' conduct at the Board and Board Committees meetings to determine whether the Director is able to discharge his or her duties diligently.</p> <p>In respect of FY2021, notwithstanding that some of the Directors have multiple board representations, the NC was satisfied that where Directors had other listed company board representations and/or other principal commitments, all Directors were able to carry out and had been adequately carrying out their duties as Directors of the Company. The NC took into account attendance and contribution at Board and Board Committees meetings and ad-hoc discussions by each Director in deciding the capacity of the Directors. Currently, none of the Directors holds more than the stipulated maximum number of directorships in listed companies. Please refer to the "Board of Directors" section of the Annual Report 2021 for the listed company directorships and other principal commitments of the Directors.</p> <p>No alternate Director has been appointed to the Board in the year under review.</p>	<p>Provision 4.4 of the 2018 Code: Circumstances affecting Director's independence</p> <p>Provision 4.5 of the 2018 Code: Multiple listed company directorships and other principal commitments</p>

<p><b>The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.</b></p>	<p><b>Principle 5: BOARD PERFORMANCE</b></p>
<p>The NC has established a review process and proposed objective performance criteria set out in assessment checklists which are approved by the Board.</p> <p>During the financial year, all Directors were requested to complete Board Evaluation Questionnaire, Evaluation Questionnaire for each Board Committee and Individual Director Evaluation Checklist designed to seek their views on the various aspects of the Board, Board Committees and individual Director performance so as to assess the overall effectiveness of the Board. The completed evaluation forms were submitted to the Company Secretary for collation and the consolidated responses were presented to the NC for review before they were submitted to the Board for discussion and determining areas for improvement and enhancement of the Board effectiveness. Following the review, the Board is of the view that the Board and its Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board. The Company did not engage an external facilitator in respect of the Board performance assessment process.</p> <p>The performance criteria for the Board evaluation are in respect of Board size and composition, Board independence, Board processes, Board information and accountability.</p> <p>Board performance in relation to discharging its principal functions and Board Committees performance in relation to discharging their responsibilities as set out in their respective terms of reference. Individual Directors performance takes into consideration factors such as commitment of time for meetings, level of participation and contribution at such meetings and the technical knowledge of the Directors.</p> <p>Where appropriate, the Board will review and make changes to the assessment forms to align with prevailing regulations and requirements. The performance criteria shall not be changed from year to year without justification. These assessments are carried out and overseen by the NC for each financial year to evaluate the effectiveness of the Board as a whole and recommendations based on these assessments would be tabled to the Board for discussion and/or adoption. The Chairman will act on the results of the performance evaluation and the recommendation of the NC, and where appropriate, in consultation with the NC, new members may be appointed or resignation of Directors may be sought.</p> <p>Each member of the NC shall abstain from deliberating and voting on any resolutions in respect of the assessment of his performance or re-nomination as Director.</p>	<p>Provisions 5.1 and 5.2 of the 2018 Code: Assessment of effectiveness of the Board and Board Committees and assessing the contribution by each Director</p>

<b>REMUNERATION MATTERS</b>	
<p><b>The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.</b></p>	<p><b>Principle 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES</b></p>
<p>The RC comprises three (3) Independent Directors, namely Chow Wai San (Chairman), Khoo Song Koon and Raymond Lam Kuo Wei.</p> <p>The RC's responsibilities, as set out in its terms of reference, include, <i>inter alia</i>, the following:</p> <ul style="list-style-type: none"> <li>• To develop and maintain a formal and transparent policy for the determination of the remuneration packages of individual Director and Executive Officer;</li> <li>• To review and recommend to the Board a framework of remuneration and to determine the specific remuneration packages and terms of employment for Directors, CEO (or equivalent), Executive Officer and employees related to Directors or controlling shareholders of the Group;</li> <li>• As part of its review, to ensure, <i>inter alia</i>, that (i) all aspects of remuneration, decisions, including Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefit-in-kind and termination payments should be covered, (ii) the remuneration packages should be comparable within the industry and comparable organisations and shall include a performance-related element coupled with appropriate and meaningful measures of assessing individual Directors' and Executive Officer's performance, and (iii) the Company's obligations arising in the event of termination of the Executive Director's and Executive Officer's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous;</li> <li>• In the case of Directors with service contracts, to determine the period of employment, after which they are subject to re-election or renewal of their service contracts, whichever is earlier, and to consider what compensation commitments the Directors' service contracts, if any, would entail in the event of early termination;</li> <li>• To ensure all its recommendations to the Board should first be made in consultation with the CEO (or equivalent); and</li> <li>• To seek appropriate expert advice in the field of executive compensation outside the Company on remuneration matters where necessary and if external advice is obtained, to review whether the remuneration consultant has any relationship with the Company that could affect his or her independent and objectivity.</li> </ul> <p>The recommendations of the RC shall be submitted for endorsement by the Board. Each RC member shall abstain from reviewing, deliberating and voting on any resolution in respect of his remuneration package or that of any employees who are related to him.</p>	<p>Provision 6.1 of the 2018 Code: RC to recommend remuneration framework and packages</p> <p>Provision 6.2 of the 2018 Code: Composition of RC</p>
<p>The RC is responsible for ensuring that a formal and transparent procedure is in place for developing policy on executive remuneration and for determining the remuneration packages of individual Director and Executive Officer with an aim to be fair and to avoid rewarding poor performance, before making any recommendation to the Board. It reviews the remuneration packages with aim of building capable and committed management teams through competitive compensation and focused management and progression policies. The RC recommends for the Board's endorsement, a framework of remuneration which covers all aspects of remuneration decisions, including but not limited to Directors' fees, salaries, allowances, bonuses, share-based incentives and awards, benefits-in-kind, termination payments and specific remuneration package for each Director. In addition, the RC reviews the performance of the Group's Executive Officer taking into consideration the CEO's assessment and recommendation for remuneration and bonus.</p> <p>Please refer to Principle 7 below for further details on the RC's consideration in determining the remuneration of the Directors and Executive Officers.</p>	<p>Provision 6.3 of the 2018 Code: RC to consider and ensure all aspects of remuneration are fair</p>

<p>During FY2021, the Company did not engage any remuneration consultant to seek advice on remuneration matters. Moving forward, the RC will consider the need to engage such external remuneration consultants when specific needs arise and where applicable, it will review the independence of the external firm before engaging them.</p>	<p>Provision 6.4 of the 2018 Code: Expert advice on remuneration</p>
<p><b>The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.</b></p>	<p><b>Principle 7: LEVEL AND MIX OF REMUNERATION</b></p>
<p>In determining the remuneration packages of the Executive Director and Executive Officer, the RC takes into consideration the remuneration and employment conditions within the same industry or comparable organisations as well as the Group's size and scope of operations. A significant and appropriate portion of the Executive Director's and Executive Officer's remuneration shall include a performance-related element coupled with appropriate and meaningful measures of assessing individual Executive Director's and Executive Officer's performance, including the review of the information on the relationships between remuneration, performance and value creation of the Company. Such performance related remuneration takes into account the risk policies of the Company, is symmetric with risk outcomes and is sensitive to the time horizon of risks. In assessing the performance of the Executive Director and Executive Officer, the RC takes into the account the financial and operational performance of the Group as well as the management's execution and expansion growth and strategic objective of the Company.</p> <p>Executive Directors do not receive Director's fees but is remunerated as member of the management team. The remuneration packages of the Executive Directors and Executive Officers comprise a basic salary component and a variable component which is the annual bonus based on the performance of the Group as a whole and their individual performance.</p> <p>This is designed to align remuneration with the interests of shareholders and link rewards to corporate and individual performance so as to promote the long-term sustainability of the Group. The RC has the discretion not to award incentives in any year if an executive is involved in misconduct or fraud resulting in financial loss to the Company. Service contract for Executive Director does not contain onerous removal clauses.</p> <p>Having reviewed and considered the variable component of the Executive Directors and Executive Officers, the RC is of the view that there is no requirement to institute contractual provisions to allow Company to reclaim incentive components of their remuneration paid in prior years in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss. The Company believes that there are alternative legal avenues to these specific contractual provisions that will enable the Company to recover financial losses arising from such exceptional events from the Executive Directors and Executive Officers.</p> <p>The Company does not offer any share-based compensation scheme or any long-term scheme involving the offer of shares or options to the Executive Directors, CEO, Executive Officers and key management personnel. The RC may consider other forms of long-term incentive schemes for the Management when necessary.</p>	<p>Provisions 7.1 and 7.3 of the 2018 Code: Remuneration of Executive Directors and key management personnel are appropriately structured to encourage good stewardship and promote long-term success of the Company</p>

<p>The Independent Directors are paid Directors' fees which take into consideration their contribution, effort, time spent and responsibilities. They are not overly remunerated to the extent that their independence may be compromised. The Directors' fees are recommended by the RC and endorsed by the Board for approval by the shareholders of the Company at the AGM.</p> <p>The Board concurred with the RC that the proposed Directors fees of S\$123,500 (equivalent to US\$91,000) for the year ending 31 December 2022 to be paid quarterly in arrears is appropriate. The 2022 Directors' fees are set out in ordinary resolution 5 of the notice of AGM for approval by shareholders of the Company. Except as disclosed in the Annual Report 2021, the Independent Directors do not receive any remuneration from the Company.</p> <p>The Company does not offer any share-based compensation scheme or any long-term scheme involving the offer of shares or options to the Independent Directors.</p>	<p>Provision 7.2 of the 2018 Code: Remuneration of Non-Executive Directors dependent on contribution, effort, time spent and responsibilities</p>																								
<p><b>The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.</b></p>	<p><b>Principle 8: DISCLOSURE ON REMUNERATION</b></p>																								
<p>The remuneration of the Executive Directors and key management personnel are set out in increment bands of S\$250,000 with further analysis showing the composition between fee, fixed remuneration and variable bonus &amp; allowances. The Company's Directors and key management personnel receiving remuneration from the Group for the financial year ended 31 December 2021 are as follows:</p> <table border="1" data-bbox="142 993 1089 1312"> <thead> <tr> <th><b>Remuneration Band</b></th> <th><b>2021</b></th> <th><b>2020</b></th> </tr> </thead> <tbody> <tr> <td><b>Number of Directors</b></td> <td></td> <td></td> </tr> <tr> <td>S\$500,000 and above</td> <td>–</td> <td>1</td> </tr> <tr> <td>S\$250,000 to below S\$500,000</td> <td>2</td> <td>–</td> </tr> <tr> <td>Below S\$250,000</td> <td>4</td> <td>3</td> </tr> <tr> <td><b>Total</b></td> <td><b>6</b></td> <td><b>4</b></td> </tr> <tr> <td><b>Number of Key Management Personnel</b></td> <td></td> <td></td> </tr> <tr> <td>Below S\$250,000</td> <td>5</td> <td>7</td> </tr> </tbody> </table>	<b>Remuneration Band</b>	<b>2021</b>	<b>2020</b>	<b>Number of Directors</b>			S\$500,000 and above	–	1	S\$250,000 to below S\$500,000	2	–	Below S\$250,000	4	3	<b>Total</b>	<b>6</b>	<b>4</b>	<b>Number of Key Management Personnel</b>			Below S\$250,000	5	7	<p>Provisions 8.1 and 8.3 of the 2018 Code: Remuneration disclosures of Directors and key management personnel; Details of employee share schemes</p>
<b>Remuneration Band</b>	<b>2021</b>	<b>2020</b>																							
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Below S\$250,000	5	7																							

A breakdown of each individual Director's remuneration in percentage terms showing the level and mix for the financial year ended 31 December 2021 is as follows:

Name of Directors	Directors' Fees	Fixed Remuneration	Variable bonus and allowances	Total
	%	%	%	%
<b>S\$250,000 to below S\$500,000</b>				
Raja Hayat <sup>(1)</sup>	–	86	14	100
Chan Cheng Fei <sup>(1)</sup>	–	92	8	100
<b>Below S\$250,000</b>				
Khoo Song Koon	100	–	–	100
Lim Yu Neng Paul <sup>(2)</sup>	100	–	–	100
Chow Wai San	100	–	–	100
Raymond Lam Kuo Wei <sup>(3)</sup>	100	–	–	100

Notes:

<sup>(1)</sup> Both Raja Hayat and Chan Cheng Fei were appointed as Executive Directors on 1 January 2021.

<sup>(2)</sup> Lim Yu Neng Paul resigned as Non-Executive and Independent Director on 31 August 2021.

<sup>(3)</sup> Raymond Lam Kuo Wei was appointed as Non-Executive and Independent Director on 30 July 2021.

The Company has deviated from Provision 8.1 of the 2018 Code requiring the amounts and breakdown of remuneration of each individual Director and the CEO to be disclosed as maintaining confidentiality on such matters is desirable in the overall interest of the business. Attracting and retaining capable professional are top priorities for the Group operating in a highly competitive industry. In addition, it is also in the interest of shareholders to protect this competitive edge through an appropriate level of transparency in the Company's compliance and compensation practices.

The RC has reviewed and recommended the remuneration packages of Directors to the Board, having due regard to their contributions as well as the financial and commercial needs of the Group and has ensured that the Directors are adequately but not excessively remunerated. The total remuneration paid to Directors in FY2021 was S\$651,000 (equivalent to US\$474,000).

Provisions 8.1 and 8.3 of the 2018 Code:  
Remuneration disclosures of Directors and key management personnel; Details of employee share schemes

A breakdown (in percentage terms) of the remuneration earned by the top 5 key management personnel (who are not Directors or the CEO of the Company) during FY2021 is as follows:

Key Management Personnel	Fees	Variable Bonus and allowances	Total
	%	%	%
<b>Below S\$250,000</b>			
Luke McDonald	92	8	100
Philip Anthony Barr	98	2	100
Lee Kelvin	97	3	100
Koshu Godhia Mrs Koshu Raghunandan	96	4	100
Sally Koh <sup>(1)</sup>	93	7	100

Note: <sup>(1)</sup> Resigned on September 2021.

The Board is of the view that the level of disclosure is consistent with the intent of transparency on the company's policies taking into account evolving industry trends and forces, competition for talent recruitment and retention. In addition, full disclosure in aggregate of the total remuneration paid to the Executive Officers and each of the above key management personnel would not be in the interest of the Company as such information is confidential and sensitive, may be exploited by competitors and the importance of maintaining the cohesion and spirit of team work prevailing among senior management executives of the Group. The total remuneration paid to the top 5 key management personnel of the Group (who are not Directors or the CEO of the Company) in FY2021 amounted to S\$891,000 (equivalent to approximately US\$646,000).

None of the Directors, key management personnel and employees were substantial shareholders of the Company in FY2021.

There is no employee whom is the immediate family members of a Director, the CEO or a substantial shareholder of the Company, whose remuneration exceeded S\$100,000 (equivalent to approximately US\$74,000) in FY2021.

Provision 8.2 of the 2018 Code: Remuneration disclosure of related employees

<b>ACCOUNTABILITY AND AUDIT</b>	
<p><b>The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.</b></p>	<p><b>Principle 9: RISK MANAGEMENT AND INTERNAL CONTROLS</b></p>
<p>The Board recognises its responsibilities over the governance of risks and has set in place management procedures for ensuring a sound system of risk management and internal controls. These procedures include introducing a structured Enterprise Risk Management (“<b>ERM</b>”) programme to the Group, management reviews of key transactions, and the assistance of independent consultants such as the Group’s external and internal auditors to review financial statements and internal controls covering key risk areas.</p> <p>The following are key components of the ERM programme of the Group:</p> <ul style="list-style-type: none"> <li>• Risk Management Manual <p>The overall framework for risk management has been documented in a manual and disseminated to personnel responsible for oversight of risks and operations of risk countermeasures. This ERM manual includes the terms of reference of the various personnel and committees responsible for monitoring and managing risks in the Group. The ERM process will also require ongoing identification of risks and whether appropriate measures have been taken to address relevant risks.</p> </li> <li>• Risk Appetite of the Company <p>The Group has assessed its tolerance to various risk events as they emerge. Generally, the Group will rely on management to monitor day to day operations while subjecting key corporate decisions, such as investments or acquisitions of businesses to Board approval. The Company has also taken a strict stance towards avoiding any risks that might result in breaching relevant laws and regulations and risks that could adversely affect the reputation of the Group.</p> </li> <li>• Risk Assessment and Monitoring <p>Based on the ERM framework, the nature and extent of risks to the Group will be assessed regularly and risk reports covering top risks to the Group will be submitted to the Board and the AC at least on a yearly basis. A set of risk registers has been developed to document the various risks faced by the Group, measures in place to address them and who the risk owners are.</p> </li> </ul> <p>By identifying and managing risks through this ERM programme, the Group should be able to make more informed and collective decisions and to benefit from a better balance between risk and reward. This can help protect and also create shareholders’ value. As part of the programme, Management will also have more structured review processes as new risks emerge so as to be cognisant of the potential impact from such new risks and undertake meaningful measures to address them.</p> <p>The AC, with the assistance of the internal and external auditors, annually reviews the adequacy and effectiveness of the Group’s risk management and internal control systems, including financial, operational, compliance and information technology controls. This helps to ensure that safeguards, checks and balances are put in place to prevent any conflicts of interests or any weakening of internal controls. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the AC. The AC also reviews the effectiveness of the actions taken by the Management on the recommendations made by the internal and external auditors in this respect.</p>	<p>Provision 9.1 of the 2018 Code: Board determines the nature and extent of significant risks</p>

The internal auditor, BDO Advisory Pte Ltd, has carried out internal audit on the system of internal controls and reported the findings to the AC. The external auditor, Crowe Horwath First Trust LLP, has also, in the course of their statutory audit, gained an understanding of the key internal accounting controls assessed to be relevant to the statutory audit. In this respect, the AC has reviewed the findings of both the internal and external auditors and will ensure that the Company follows up on the auditors' recommendations raised during the audit processes. No material internal control weakness had been raised by our internal and external auditors in the course of their audits for FY2021.

The Board received assurance from the CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances. In addition, the Board received assurance from the CEO and the CFO that the Company's risk management and internal control systems are adequate and effective.

Based on the ERM framework established, reviews carried out by the AC, work performed by the internal and external auditors and assurance from the Management referred to in the preceding paragraphs, the Board, with the concurrence of the AC, is satisfied that the system of internal controls (including financial, operational, compliance and information technology controls) and risk management systems in place are adequate and effective as at 31 December 2021.

The Board notes that no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human errors, losses, fraud or other irregularities. As such, the Company's risk management and internal controls systems are regularly evaluated and improved to ensure its relevance to the Company's operations.

Provision 9.2 of the 2018 Code: Assurance from CEO, CFO and other key management personnel

<p><b>The Board has an Audit Committee which discharges its duties objectively.</b></p>	<p><b>Principle 10: AUDIT COMMITTEE</b></p>
<p>The AC comprises three (3) Independent Directors, namely Khoo Song Koon (Chairman), Chow Wai San and Raymond Lam Kuo Wei.</p> <p>All members of the AC are appropriately qualified and have relevant accounting or related financial management expertise and experience. They are not former partners or directors of the Company's auditing firm.</p>	<p>Provision 10.2 of the 2018 Code: Composition of AC</p> <p>Provision 10.3 of the 2018 Code: AC does not comprise former partners or directors of the Company's auditing firm</p>
<p>The AC's duties and responsibilities, as set out in its terms of reference, include, <i>inter alia</i>, the following:</p> <ul style="list-style-type: none"> <li>• To review the audit plan of the external and internal auditors of the Company, and their reports arising from the audit;</li> <li>• To ensure the adequacy of the assistance and cooperation given by the Management to the external and internal auditors;</li> <li>• To review the financial statements of the Company and the consolidated financial statements of the Group before submission to the Board for approval;</li> <li>• To review the half yearly and annual announcements of the results of the Group before submission to the Board for approval;</li> <li>• To review at least annually the effectiveness and adequacy of the Company's internal controls in addressing the financial, operational, compliance and information technology risks;</li> <li>• To review the Group's risk management structure and any oversight of our risk management processes and activities to mitigate risk at acceptable levels determined by the Board;</li> <li>• To review the external auditors' audit report, their management letter (if any) and management's response on internal control;</li> <li>• To discuss problems and concerns, if any, arising from the internal and external audits, and any matters which the auditors may wish to discuss (in the absence of management, where necessary);</li> <li>• To review and discuss with the external and internal auditors, any suspected fraud or irregularity, or suspected infringement of any Singapore law, rules and regulations, which has or is likely to have a material impact on the Company's operating results or financial position, and the Management's response;</li> <li>• To report to the Board on its findings from time to time on matters arising and requiring the attention of the AC;</li> <li>• To review the interested person transactions to ensure that the current procedures for monitoring of interested party transactions have been complied with;</li> <li>• To review the adequacy and effectiveness of internal audit function, at least annually;</li> <li>• To review the independence of the external auditors annually, making recommendation to the Board the appointment/re-appointment of the external and internal auditors, the audit fee and matters relating to the resignation or dismissal of the auditors;</li> <li>• To review the assurance provided by the CEO and the CFO that the financial records have been properly maintained, and that the financial statements give a true and fair view of the Company's operations and finances; and</li> <li>• To undertake such other reviews and projects as may be requested by the Board.</li> </ul> <p>The AC is also responsible for reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on as well as to ensuring that the Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns. The AC has explicit authority to conduct or authorise investigations into any aspect of the Group's financial affairs, audits and exposure to risks of a regulatory or legal nature, with full access to records, resources and personnel, to enable it to discharge its function properly. The AC has full access to and cooperation of the Management, and has full discretion to invite any Director and Executive Officer to attend its meetings. Management is invited to attend all meetings of the AC. Reasonable resources were made available to the AC to enable it to discharge its functions properly.</p>	<p>Provision 10.1 of the 2018 Code: Duties of AC</p>

<p>The external and internal auditors have unrestricted access to the AC. The meetings with external auditors will include a review of the Group's financial statements, the internal control procedures, prospects of the Group and the independence of the external auditor.</p> <p>When there are changes to the various accounting standards that has an important bearing on the Company's disclosure obligations, the Directors are kept informed of such changes from time to time through circulation of the relevant changes which are also tabled during the Board meetings. The external auditors also provide periodic updates and briefings to the AC on changes or amendments to accounting standards to enable the AC to keep abreast of such changes and its corresponding impact on the financial statements, if any.</p> <p>The AC has reviewed the adequacy of and effectiveness of the Group's risk management system and key internal controls that address financial, operational, compliance and information technology risks, with the assistance of the internal and external auditors as well as the management, who provide regular reports during the financial year to the AC in addition to the briefings and updates provided at the AC meetings. The AC also conducted a review of the Group's interested person transactions.</p> <p>The aggregate audit fees paid and payable to the external auditors, Crowe Horwath First Trust LLP ("CHFT"), for FY2021 amounted approximately to S\$102,000 (equivalent to US\$76,000). Non-audit services provided by CHFT relating to tax services for FY2021 amounted to S\$10,800 (equivalent to US\$9,000). The AC, having reviewed all non-audit services provided by CHFT, is satisfied that the nature and extend of such services would not prejudice the independence and objectivity of the external auditors and recommends to the Board, the nomination of the external auditors for re-appointment.</p> <p>CHFT is an accounting firm registered with the Accounting and Corporate Regulatory Authority. The AC is satisfied that CHFT is able to meet its audit obligation, having considered that CHFT has adequate resources and the audit engagement team (including the audit engagement partner) has the relevant experience. In this connection, the Group confirms that it is in compliance with Rules 712 and 715 of the Catalist Rules.</p> <p>In recommending the re-appointment of CHFT as the external auditor for the financial year ending 31 December 2022 to the Board, the AC considered the adequacy of their resources, training and quality control, experience of the engagement team and the firm as a whole and quality of work carried out by the external auditor.</p> <p>The Board has recommended the nomination of CHFT for re-appointment as external auditors of the Company at the forthcoming AGM.</p>	
<p>The Company recognises the importance of the internal audit function as an integral part of an effective system of good corporate governance. The AC reviews, on an annual basis, the adequacy and effectiveness of the internal audit ("IA") function of the Group.</p> <p>The AC approves the hiring, removal and evaluation and compensation of the internal auditors. For FY2021, the Company has outsourced its IA function to a professional service firm, BDO Advisory Pte Ltd, which is independent of the Group's business activities. The internal auditors report primarily to the AC Chairman and report administratively to the CFO. The internal auditors have unrestricted access to the documents, records, properties and personnel of the Company and the Group. The AC is satisfied that the IA function has adequate resources to perform its function effectively, has appropriate standing within the Company and is independent of the activities it audits.</p> <p>BDO Advisory Pte Ltd is a well-established firm with vast experience in internal audit services. The engagement partner-in-charge has more than 17 years of internal audit experiences. He manages a portfolio of outsourced internal audits of various listed companies and government bodies. The engagement team comprises of staffs who are Accountancy, IT or Business graduates, ACCA graduates and many possess relevant professional certifications such as CA (Singapore), CPA, CIA and CISA. The AC has</p>	<p>Provision 10.4 of the 2018 Code: Primary reporting line of the internal audit function is to AC; Internal audit function has unfettered access to Company's documents, records, properties and personnel</p>

<p>assessed and is satisfied that the IA function of the Group is independent, adequately resourced to perform its function effectively and is staffed by qualified and experienced professionals with the relevant experience. Accordingly, the Company is in compliance with Rule 1204(10C) of the Catalist Rules.</p> <p>The internal auditors conduct their work in accordance with the BDO Global IA methodology which is consistent with the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors as a reference and guide when performing their reviews. The annual audit conducted by the internal auditors assesses the adequacy and effectiveness of the Group's internal control procedures and provides reasonable assurance to the AC that the Group's risk management, controls and governance processes are adequate and effective.</p> <p>The IA function plans its internal audit schedules in consultation with, but independent of the Management. The audit plan is submitted to the AC for approval prior to the commencement of the internal audits. In addition, the AC works closely with the relevant Management to ensure that the internal controls are being reviewed and discussed with the relevant Management personnel responsible for the areas being reviewed. Key processes including cash management, information technology general controls and general controls, of the Company were reviewed in FY2021. Summary of findings and recommendations by the internal auditors are discussed at the AC meetings. The related internal audit report, including the Management's responses and implementation status, have been reviewed and approved by the AC. No high risk weaknesses were identified based on the work done in FY2021.</p>					
<p>The AC met three (3) times in FY2021. In performing its functions, apart from the three (3) formal meetings, the AC met with the external and internal auditors once during the financial year without the presence of the Management.</p>	<p>Provision 10.5 of the 2018 Code: AC meets with the auditors without the presence of Management annually</p>				
<p><b>SIGNIFICANT ACCOUNTING MATTERS</b></p>					
<p>In the review of the financial statements for FY2021, the AC has discussed with the Management the significant accounting principles that were applied and their judgement of items that might affect the accuracy and completeness of the financial statements.</p>					
<p>The following key audit matter, which is included in the independent auditors' report for FY2021, was discussed with the Management and the external auditor and was reviewed by the AC:</p>					
<table border="1"> <thead> <tr> <th data-bbox="142 1346 440 1388">Key audit matter</th> <th data-bbox="440 1346 1495 1388">How the matter was addressed by the AC</th> </tr> </thead> <tbody> <tr> <td data-bbox="142 1388 440 1751"> <p>Completeness of pulp trading revenue recognition</p> </td> <td data-bbox="440 1388 1495 1751"> <p>Revenue from pulp trading amounted to approximately US\$124.1 million, accounting for 89% of the Group's total revenue for FY2021.</p> <p>Pulp trading is the largest contributor to the revenue for the Group in the recent years. As such, the completeness and accuracy of the reported pulp trading revenue will have a significant impact on the financial statements. Having consulted with the internal and external auditors in respect of, <i>inter alia</i>, the applicable accounting standard and its application, the work performed by both auditors, review of the relevant controls and sample testing results in relation to the completeness of pulp trading revenue recognition as well as having discussed with Management, the AC was satisfied that correct accounting treatment has been adopted and consistently applied in the financial statements to ensure the completeness and accuracy of reported pulp trading revenue and the relevant controls are deemed satisfactory. Based on the recommendations by the AC, the Board had approved the audited financial statements on 7 April 2022.</p> </td> </tr> </tbody> </table>	Key audit matter	How the matter was addressed by the AC	<p>Completeness of pulp trading revenue recognition</p>	<p>Revenue from pulp trading amounted to approximately US\$124.1 million, accounting for 89% of the Group's total revenue for FY2021.</p> <p>Pulp trading is the largest contributor to the revenue for the Group in the recent years. As such, the completeness and accuracy of the reported pulp trading revenue will have a significant impact on the financial statements. Having consulted with the internal and external auditors in respect of, <i>inter alia</i>, the applicable accounting standard and its application, the work performed by both auditors, review of the relevant controls and sample testing results in relation to the completeness of pulp trading revenue recognition as well as having discussed with Management, the AC was satisfied that correct accounting treatment has been adopted and consistently applied in the financial statements to ensure the completeness and accuracy of reported pulp trading revenue and the relevant controls are deemed satisfactory. Based on the recommendations by the AC, the Board had approved the audited financial statements on 7 April 2022.</p>	
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## WHISTLE-BLOWING CHANNELS

The Group is committed to a high standard of ethical conduct and adopts a zero-tolerance approach to fraud and corruption. It undertakes to investigate complaints of alleged wrongful acts, including suspected fraud and corruption, in an objective manner. As such, the Company has put in place a whistle blowing policy. In order to promote an environment conducive to employees to raise or report genuine concerns about possible improprieties in matters of business activities, financial reporting or other matters they may encounter in confidence and without fear of retaliatory action, all whistle blowing reports, shall be received by AC Chairman, who will conduct an initial review of the report received and recommend the remedial, disciplinary or other action to be taken by the Company. All investigations shall be reported to the AC for their attention and further action as necessary.

All employees who make a disclosure or raise a concern in accordance with such policy shall be protected if such employee:

- (a) discloses the information in good faith;
- (b) has reasonable grounds to believe disclosure or concern is substantially true;
- (c) does not act maliciously; and
- (d) does not seek any personal or financial gain.

While employees are strongly encouraged to disclose their identity when lodging complaints, efforts will be made to ensure confidentiality as far as reasonably practicable. Furthermore, anonymous complaints will not be disregarded and will be considered by the Independent Directors. The contact details of the Independent Directors have been made known to the employees for the purposes of raising their concerns under the whistle blowing policy. The Company has policies and procedures to protect an employee who reveals illegal or unethical behaviour from retaliation.

On an ongoing basis, the whistle blowing policy (including the procedures for raising concerns) is covered during the employee training and periodic communication to employee as part of the Group's efforts to promote awareness of fraud and corruption control.

The whistle blowing Policy is available on the Corporate website: <http://www.nippecraft.com.sg> and are accessible to all stakeholders.

The AC Chairman can also be contacted directly via the following email address: [AC\\_Chairman@Nippecraft.com.sg](mailto:AC_Chairman@Nippecraft.com.sg).

There was no whistle blowing report received via the whistle-blowing channels in FY2021.

## SHAREHOLDER RIGHTS AND ENGAGEMENT

**The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.**

**Principle 11:  
SHAREHOLDER RIGHTS  
AND CONDUCT OF  
GENERAL MEETINGS**

The Company encourages active shareholder participation at its general meetings. Notices of meetings are given to all shareholders together with explanatory notes or a circular on items of special business, at least fourteen (14) clear days (for ordinary resolutions) or at least twenty-one (21) clear days (for special resolutions) before the meeting. Reports or circulars of the general meetings are despatched to all shareholders by post and disseminated through SGXNet.

Provision 11.1 of the 2018 Code: Company provides shareholders with the opportunity to participate effectively and vote at general meetings

All shareholders are entitled to vote in accordance with the established voting rules and procedures. The rules, including the voting process, will be explained by the scrutineers at such general meetings. The Company's Constitution permit a shareholder to appoint up to two (2) proxies to attend and vote in his stead at these meetings. Furthermore, the Company allows corporations which provide nominee or custodial services to appoint more than two (2) proxies to attend and vote on their behalf at general meetings. The Company will put all resolutions to vote by poll and make an announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentages. The Company will employ electronic polling, if necessary.

<p>In view of the evolving COVID-19 situation, the Company will be putting in place alternative measures and arrangements for its upcoming Annual General Meeting. Shareholders are advised to refer to the Company's announcement on SGXNet on the notice of Annual General Meeting which will be released in due course.</p>	
<p>Shareholders are invited to attend general meetings via electronic means and put forth any questions by submitting questions in advance in relation of the resolutions set out in the Notices they may have on the motions to be decided upon. Resolutions at general meetings are on each substantially separate issue. All the resolutions at the general meetings are single item resolutions. The Company avoids 'bundling' resolutions unless the resolutions are interdependent and linked so as to form one significant proposal. In situations where resolutions are inter-conditional, the Company will provide clear explanations.</p>	<p>Provision 11.2 of the 2018 Code: Separate resolution on each substantially separate issue</p>
<p>The Board welcomes the views of shareholders on matters affecting the Company, whether at shareholders' meetings or on an ad-hoc basis. All the Directors, including the Chairmen of various Board Committees and Executive Directors, are normally available at the general meetings to answer those queries and receive feedback from shareholders. The external auditors are also usually present to assist the Directors in addressing any relevant queries by shareholders. All Directors, had attended the general meeting held on 28 April 2021, save for Raymond Lam Kuo Wei, who was appointed on 30 July 2021.</p>	<p>Provision 11.3 of the 2018 Code: All Directors attend general meetings</p>
<p>Voting in absentia and by electronic mail may only be possible following careful study to ensure integrity of the information and authentication of the identity of shareholder through the web is not compromised and is also subject to legislative amendment to recognise electronic voting.</p>	<p>Provision 11.4 of the 2018 Code: Company's Constitution allow for absentia voting of shareholders</p>
<p>The Company Secretary prepares minutes of general meetings which incorporate substantial comments or queries from shareholders and responses from the Board and the Management. The minutes will be made available within one (1) month from the date of the general meetings.</p>	<p>Provision 11.5 of the 2018 Code: Minutes of general meetings are published on the Company's corporate website as soon as practicable</p>
<p>The Company does not have a formal dividend policy. While this would mean that its practice varies from Provision 11.6 of the 2018 Code which implies that companies should have a dividend policy, the Company is of the view that the following disclosure would constitute a balanced and understandable assessment of its position on a dividend policy, and that this practice is consistent with the intent of Principle 11.</p> <p>The form, frequency and amount of dividends declared each year will take into consideration the Group's profit growth, cash position, positive cash flow generated from operations, projected capital requirements for business growth and other relevant factors as the Board may deemed appropriate.</p> <p>In accordance to its Constitution and Companies Act, the Company may, by ordinary resolution of shareholders, declare dividends out of profits at a general meeting, but may not pay dividends in excess of the amount recommended by the Directors. The declaration and payment of dividends will be determined at the sole discretion of the Directors subject to the approval of the shareholders. The Directors may also declare an interim dividend out of profits without the approval of the shareholders. No dividends have been declared for FY2021 as the Group wants to conserve financial resources to meet the various challenges in the foreseeable future including challenges posed by the COVID-19 situation and increase in operating cost.</p>	<p>Provision 11.6 of the 2018 Code: Dividend policy</p>

<p><b>The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.</b></p>	<p><b>Principle 12: ENGAGEMENT WITH SHAREHOLDERS</b></p>
<p>The Company is firmly committed to corporate governance and transparency by disclosing to its stakeholder, including its shareholder, as much relevant information as possible, fair and transparent manner as well as to hearing its shareholders' views and addressing their concerns. All material information on the performance and development of the Group and of the Company is disclosed in an accurate, comprehensive and timely manner through SGXNet. The Company does not practice selective disclosure of material information.</p> <p>Material information is excluded from briefings with investor or analyst, unless it has been publicly released either before or concurrently with such meetings. Communication to shareholders is normally made through:</p> <ul style="list-style-type: none"> <li>(a) annual reports that are prepared and issued to all shareholders;</li> <li>(b) financial results containing a summary of the financial information and affairs of the Group for the period;</li> <li>(c) notices and explanatory memoranda for AGM and other general meetings;</li> <li>(d) other announcements on SGXNet; and</li> <li>(e) the Corporate website at <a href="http://www.nippecraft.com.sg">http://www.nippecraft.com.sg</a> at which shareholders can access information of the Group.</li> </ul>	<p>Provision 12.1 of the 2018 Code: Company provides avenues for communication between the Board and shareholders and discloses steps taken to solicit and understand the views of shareholders</p>
<p>In addition to general meetings, the Company uses mainly the SGXNet to disseminate information to the shareholders and investment community on a timely, accurate, fair and transparent basis.</p> <p>When the opportunity arises, the Management will also meet with investors, analysts and the media as well as participate in investor relations activities to solicit and understand the views of the investment community.</p> <p>Shareholders and the investment community can contact the Company by telephone at +65 6262 2662, fax at +65 6268 4827 or email us at: <a href="mailto:investors@nippecraft.com.sg">investors@nippecraft.com.sg</a> to address their queries, concerns and feedback.</p>	<p>Provisions 12.2 and 12.3 of the 2018 Code: Company has in place an investor relations policy; Investor relations policy sets out mechanism of communication between the shareholders and the Company</p>
<p><b>MANAGING STAKEHOLDERS RELATIONSHIPS</b></p>	
<p><b>The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.</b></p>	<p><b>Principle 13: ENGAGEMENT WITH STAKEHOLDERS</b></p>
<p>The Company takes pride in meeting and exceeding the expectations of our stakeholders. Our engagement with material stakeholder groups, including key areas of focus and engagement channels, are disclosed in the latest Sustainability Report. Please refer to the Sustainability Report for more information.</p> <p>The Group seizes opportunities to engage our stakeholders and welcomes feedback on our sustainability reports. The Company's sustainability team can be contacted via email at: <a href="mailto:sustainability@nippecraft.com.sg">sustainability@nippecraft.com.sg</a>.</p>	<p>Provisions 13.1 and 13.2 of the 2018 Code: Engagement with material stakeholder groups</p>
<p>Stakeholders who wish to know more about the Group and our business and governance practices can visit our corporate website: <a href="http://www.nippecraft.com.sg">http://www.nippecraft.com.sg</a>.</p>	<p>Provision 13.3 of the 2018 Code: Corporate website to engage stakeholders</p>

## DEALINGS IN SECURITIES

In line with Rule 1204(19) of the Catalist Rules, the Group has issued a policy on share dealings by Directors and key officers of the Company, setting out the implications of insider trading and recommendations of the best practices set out in Rule 1204(19). The Group adopts a code of conduct to provide guidance to its' Directors and officers with regard to dealing in the Company's shares, which includes an annual declaration by the Company's Directors and officers with regard to securities trading and disclosure by the Company's Directors and officers when they deal in the Company's shares.

The Group also issues periodic circulars to its Directors, officers and employees reminding them that the issuer and its officer must not have dealings in the Company's shares:

- (a) on short-term considerations;
- (b) during the period commencing one (1) month before the announcement of the Company's half yearly or full year financial results, as the case may be; and
- (c) if they are in possession of unpublished material price sensitive information.

During the year under review, there was no known trading of the Company's shares by insiders.

## INTERESTED PERSON TRANSACTIONS

The Company has adopted an internal policy in respect of any transaction with interested persons and has set out the procedures for identification, monitoring, reviewing and approving the Company's interested person transactions ("IPT") to ensure that the relevant rules in Chapter 9 of the Catalist Rules are complied with.

The Company has adopted a general mandate in respect of IPT ("**IPT Mandate**") which has been effective since 24 October 2017, and renewed at the AGM held on 28 April 2021. The Company has established procedures to ensure that all IPT are reported in a timely manner to the AC, and that the IPT are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders. The Company will seek renewal of the IPT Mandate at the forthcoming AGM and further information is set out in the Appendix to the Annual Report 2021.

The aggregate value of IPT during FY2021 was as follows:

Name of interested person and nature of transactions	Nature of relationship	Aggregate value of all IPT during the financial period under review (excluding transactions less than S\$100,000)	
		Not conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules	Conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules
		US\$'000	US\$'000
<u>Sales (pulp trading)</u>			
PT Paramitra Gunakarya Cemerlang	APP Printing (Holding) Pte Ltd, an entity under the APP Group, holds 49% of the Company's shares and is deemed to be the controlling shareholder of the Company.	–	42,587
APP China Trading Limited	Both PT Paramitra Gunakarya Cemerlang and APP China Trading Limited are entities under the APP Group.	–	862

<b>MATERIAL CONTRACTS AND LOANS</b>
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The Company and its subsidiaries did not enter into any material contract (including loan) involving the interests of the CEO, Director or controlling shareholder, which is either subsisting as at end of FY2021 or if not then subsisting, entered into since the end of the previous financial year.
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<b>SPONSORSHIP</b>
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With reference to Rule 1204(21) of the Catalyst Rules, there was no non-sponsorship fees paid/payable to the Company's Sponsor, SAC Capital Private Limited, in FY2021.
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## Additional Information on Directors Seeking Re-election

Khoo Song Koon, Chow Wai San and Raymond Lam Kuo Wei are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened on 26 April 2022 (“AGM”) (collectively, the “Retiring Directors” and each a “Retiring Director”).

Pursuant to Rule 720(5) of the Catalist Rules, the information as set out in Appendix 7F to the Catalist Rules relating to the Retiring Directors is set out below and to be read in conjunction with their respective biographies under the section entitled “Board of Directors” in the Annual Report 2021:

Name of Director	Khoo Song Koon	Chow Wai San	Raymond Lam Kuo Wei
Date of appointment	27 February 2015	26 October 2016	30 July 2021
Date of last re-appointment	24 June 2020	24 June 2020	–
Age	51	50	45
Country of principal residence	Singapore	Singapore	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board having considered the skills, qualifications and working experience of Mr. Khoo Song Koon, as well as his contribution and performance during the financial year, has accepted the recommendation of the Nominating Committee and approved his re-appointments as an independent Director of the Company, Chairman of the Audit Committee and a member of the Nominating Committee and the Remuneration Committee.	The Board having considered the skills, qualifications and working experience of Mr. Chow Wai San, as well as his contribution and performance during the financial year, has accepted the recommendation of the Nominating Committee and approved his re-appointment as an independent Director of the Company, Chairman of the Remuneration Committee and a member of the Audit Committee and the Nominating Committee.	The Board having considered the skills, qualifications and working experience of Mr. Raymond Lam Kuo Wei, as well as his contribution and performance since his appointment, has accepted the recommendation of the Nominating Committee and approved his re-appointment as an independent Director of the Company, Chairman of the Nominating Committee and a member of the Audit Committee and the Remuneration Committee.
Whether appointment is executive, and if so, the area of responsibility	Non-executive	Non-executive	Non-executive
Professional qualifications	<ul style="list-style-type: none"> <li>• Bachelor of Accountancy, Nanyang Technological University</li> <li>• Chartered Accountant (Singapore)</li> <li>• Certified Public Accountant (Australia)</li> <li>• Associate member, Singapore Institute of Directors</li> </ul>	<ul style="list-style-type: none"> <li>• Bachelor of Accountancy, Nanyang Technological University</li> <li>• Chartered Financial Analyst</li> <li>• Chartered Accountant (Singapore)</li> <li>• Certified Public Accountant (Australia)</li> <li>• Associate member, Singapore Institute of Directors</li> </ul>	<ul style="list-style-type: none"> <li>• Bachelor of Law (Hons), National University of Singapore</li> <li>• Advocate &amp; Solicitor of the Supreme Court of Singapore</li> <li>• Solicitor, England and Wales</li> <li>• Notary Public &amp; Commissioner of Oaths</li> <li>• Fellow, Chartered Secretaries Institute of Singapore</li> </ul>